

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matters of:

Federal-State Joint Board on Universal
Service

CC Docket No. 96-45

TracFone Wireless, Inc.

and

Lifeline and Link-Up

WC Docket No. 03-109

AT&T Petition for Limited
Reconsideration

**COMMENTS OF THE RURAL IOWA INDEPENDENT TELEPHONE IN OPPOSITION
TO AT&T'S PETITION FOR RECONSIDERATION AND TO TRACFONE'S
PETITION SEEKING ETC STATUS**

By Public Notice released August 30, 2004, the Commission sought comments on a Petition for Limited Reconsideration by AT&T and the amended Petition for ETC Status filed by TracFone. The Rural Iowa Independent Telephone Association (RIITA) comments in opposition to both petitions.

RIITA is a non-profit association of rural independent telephone companies, representing approximately one hundred and thirty Iowa incumbent local exchange carriers. RIITA's members actually serve fewer than 20,000 access lines, many serve fewer than 1000 lines. Most members serve high-cost rural exchange and receive high-cost support.

Both of these petitions involve requests to allow approval of Eligible Telecommunications Carrier (ETC) Status for Lifeline and Link-Up low income support mechanisms without seeking or obtaining approval for ETC Status for purposes of receiving High Cost Support. Both petitions seek to separate a telephone company's obligation in way that allows the company to receive Lifeline and Link-up payments.

The FCC correctly concluded in its April 29, 2004 Order that only ETCs may receive universal service support and that it would be inconsistent with 47 U.S.C. section 254(e) to allow a non-ETC to receive Lifeline and Link-Up support. The Joint Board also recommended that the FCC not extend payments to non-ETCs as a matter of policy. *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Recommended Decision, 18 FCC Rcd. 6589, 6617-18 [¶ 61].

RIITA believes that these decisions are sound. With the universal service fund under stress and no authority allowing the distinction between types of ETCs, a company should qualify as an ETC prior to receiving any funds. The artificial distinctions made by AT&T and TracFone are attempts to create new drains on the Universal Service Fund without systematically addressing USF issues. Piecemeal modifications in the USF scheme will not benefit any customers in the long-run.

Furthermore, TracFone's pure resale service should not be allowed to have ETC status under any circumstances because it would undermine the policy of encouraging facility-based competition and would lead to double recovery by the resale service providers.

There is no compelling reason to alter the present ETC certification system for the purpose of adding more carriers unless the carriers meet all of the obligations of an ETC.

Respectfully Submitted,

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